

U S WEST, Inc.
Suite 700
1020 Nineteenth Street, NW
Washington, DC 20036
202 429-3133
FAX 202 296-5157

EX PARTE OF LATE FILED

USWEST

Glenn Brown
Executive Director-
Public Policy

April 10, 1998

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Re: CC Dockets 96-45/and 97-160

Dear Ms. Salas:

On April 9, 1998 Pete Swyenki and Brian Staihr representing Sprint, Whit Jordan representing BellSouth and Glenn Brown representing U S WEST met with Craig Brown, Brian Clopton, Abdel Equib, Chuck Keller, Richard Smith, Natalie Wales and Brad Wimmer of the Common Carrier Bureau Staff, and Charlie Bolle, Rowland Curry, Greg Fogleman and Sandra Makeefe of the State Joint Board Staff who participated via conference call. The purpose of the meeting was to provide information on model runs which had been made, at the Staff's request, of each model¹ using its own defaults, the FCC "common inputs", and the other model's defaults. We also provided preliminary reaction to material which had been presented by the HAI sponsors at an ex-parte meeting on April 3, 1998. The attached materials were provided as handouts during the meeting.

The first of the attached handouts demonstrates that the numbers presented by the HAI sponsors as representing the HAI 5.0a model run using the FCC common inputs on April 3, 1998 are significantly different than the numbers filed by the HAI sponsors on or about February 6, 1998. In general the costs and resulting funding levels decreased, some states by more than others. No explanation was provided in the written ex-parte regarding the reasons for these differences. Since it was the BCPM sponsor's understanding that no changes were to be made to the models after February 6, 1998 we are puzzled by the reason for these differences.

Although the overall fund size is smaller using the HAI April 3 numbers, the same trend as noted in our February 23, 1998 and March 3, 1998 ex-parte letters continues,

¹ The two models being used in this analysis are the BCPM3 sponsored by BellSouth, Sprint and U S WEST, and the HAI 5.0a model sponsored by AT&T and MCI.

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with HAI tending to assign more funding than BCPM to more densely populated states in the eastern United States, and less funding to more sparsely populated states in the west and the south.

In reviewing the various model runs using the three different sets of data, we noted that there was a reasonable correlation between monthly cost and fund size using the BCPM defaults, and FCC common inputs, but that there were unexplained differences between the two models in fund sizes using the HAI inputs. The attached handout further describes our findings.

In accordance with Section 1.1206(a)(2) of the Commission's Rules, the original and two copies of this letter, are being filed with your office for inclusion in the public record for the above-mentioned proceedings. Acknowledgment of date of receipt of this transmittal is requested. A duplicate of this letter is provided for this purpose. Please contact me if you have questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Craig Brown", with a stylized flourish at the end.

Attachments

Cc: Craig Brown
Brian Clopton
Abdel Equib
Chuck Keller
Richard Smith
Natalie Wales
Brad Wimmer
Charlie Bolle
Rowland Curry
Greg Fogleman
Sandra Makeefe

	WIRE CENTER					CENSUS BLOCK GROUP				
	HAI 5.0a		BCPM	%Feb	% April	HAI 5.0a		BCPM	%Feb	% April
	February	April				February	April			
Ameritec	\$121.7	\$106.4	\$121.7	100%	87%	\$184.5	\$182.9	\$205.1	90%	89%
Bell Atlantic	\$414.5	\$370.5	\$298.1	139%	124%	\$563.3	\$517.4	\$426.4	132%	121%
BellSouth	\$472.8	\$434.7	\$466.0	101%	93%	\$749.8	\$697.0	\$699.8	107%	100%
GTE	\$746.5	\$683.3	\$922.9	81%	74%	\$896.8	\$848.3	\$1,116.1	80%	76%
SBC	\$417.2	\$372.8	\$484.5	86%	77%	\$628.6	\$591.0	\$706.0	89%	84%
U S WEST	\$377.7	\$337.8	\$471.6	80%	72%	\$621.4	\$526.0	\$662.8	94%	79%
Sprint	\$354.4	\$330.2	\$279.9	127%	118%	\$467.3	\$444.3	\$383.9	122%	116%
Others	\$243.3	\$238.9	\$215.6	113%	111%	\$298.5	\$296.8	\$265.5	112%	112%
Total	\$3,148.1	\$2,874.6	\$3,260.3	97%	88%	\$4,410.2	\$4,103.7	\$4,465.6	99%	92%

APRIL

• = BCPM NUMBER NOT CORRECT DUE TO ERROR IN BCPM Ex-POST

MODEL COMPARISONS USING FCC "COMMON" INPUTS

State	Company	Monthly Cost		Support @ Wire Center		Support @ CBG		Percentage HAI/BCPM		
		HAI	BCPM	HAI	BCPM	HAI	BCPM	Monthly Cost	Supp @ WC	Supp @ CBG
AMERITECH										
IL	Illinois Bell Tel Co	21.27	22.44	\$23,254,037	\$17,026,748	\$36,482,002	\$30,915,042	95%	137%	118%
IN	Indiana Bell Tel Co	22.79	25.88	\$20,595,649	\$22,308,918	\$31,727,817	\$35,881,325	88%	92%	88%
MI	Michigan Bell Tel Co	22.16	25.09	\$37,981,051	\$53,165,490	\$63,892,085	\$80,705,352	88%	71%	79%
OH	Ohio Bell Tel Co	21.48	24.03	\$18,150,400	\$19,893,463	\$30,079,770	\$32,125,471	89%	91%	94%
WI	Wisconsin Bell	21.23	24.29	\$6,373,375	\$9,223,453	\$20,723,109	\$9,223,453	87%	69%	225%
				\$106,354,512	\$121,618,072	\$182,904,783	\$188,850,643		87%	97%
BELL ATLANTIC										
DC	C And P Telephone Company Of WA Dc	16.87	18.62	\$0	\$0	\$253,085	\$0	91%		
DE	Diamond State Tel Co	22.92	24.62	\$4,328,675	\$3,744,074	\$7,069,636	\$6,278,463	93%	116%	113%
MA	New England Tel-MA	21.5	22.09	\$11,199,935	\$7,649,281	\$16,964,848	\$14,307,268	97%	146%	119%
MD	C And P Tel Co Of MD	22.77	23.31	\$26,095,078	\$15,969,467	\$41,932,715	\$26,181,150	98%	163%	160%
ME	New England Tel-Maine	31.61	32.06	\$38,042,554	\$33,825,354	\$48,836,387	\$43,851,102	99%	112%	111%
NH	New England Tel-NH	27.08	28.05	\$21,795,441	\$17,915,483	\$26,867,883	\$24,074,748	97%	122%	112%
NJ	New Jersey Bell	20.54	20.14	\$2,618,383	\$1,026,480	\$9,765,617	\$5,606,312	102%	255%	174%
NY	New York Tel	20.77	21.74	\$74,772,119	\$58,661,566	\$111,367,149	\$88,917,799	96%	127%	125%
PA	Bell Of Pennsylvania	22.75	23.52	\$50,193,973	\$35,059,834	\$75,673,111	\$56,911,030	97%	143%	133%
RI	New England Tel-RI	21.68	24.12	\$1,275,350	\$1,620,186	\$2,049,788	\$2,480,565	90%	79%	83%
VA	C And P Tel Co Of VA	23.13	24.98	\$53,851,741	\$41,766,623	\$65,663,877	\$41,766,623	93%	129%	157%
VT	New England Tel-VT	32.15	33.91	\$21,840,251	\$18,576,967	\$27,911,383	\$18,576,967	95%	118%	150%
WV	C And P Tel Co Of W VA	35.77	36.39	\$64,463,724	\$62,325,112	\$83,053,812	\$62,325,112	98%	103%	133%
				\$370,477,224	\$298,140,427	\$517,409,291	\$391,277,139		124%	132%
BELLSOUTH										
AL	South Central Bell-AL	30.01	30.98	\$61,117,239	\$61,153,353	\$101,802,117	\$93,475,650	97%	100%	109%
FL	Southern Bell-FL	21.1	23.6	\$20,406,377	\$19,244,532	\$34,754,606	\$35,772,660	89%	106%	97%
GA	Southern Bell-GA	24.23	26.83	\$40,332,410	\$45,398,606	\$80,928,341	\$81,402,602	90%	89%	99%
KY	South Central Bell-KY	28.88	31.25	\$47,376,532	\$53,755,232	\$66,469,111	\$73,061,417	92%	88%	91%
LA	South Central Bell-LA	26.51	29.12	\$63,396,987	\$67,991,740	\$87,410,053	\$93,495,899	91%	93%	93%
MS	South Central Bell-Mississippi	36.97	39.12	\$105,533,145	\$115,486,809	\$149,176,662	\$148,958,966	95%	91%	100%
NC	Southern Bell-NC	24.39	26.84	\$20,547,303	\$18,758,160	\$40,836,613	\$35,133,909	91%	110%	116%
SC	Southern Bell-SC	26.31	29.32	\$19,022,495	\$25,877,854	\$38,090,229	\$46,071,793	90%	74%	83%
TN	South Central Bell-TN	27.03	28.8	\$56,979,530	\$58,314,896	\$97,518,267	\$92,413,053	94%	98%	106%
				\$434,712,018	\$465,981,182	\$696,985,999	\$699,785,949		93%	100%
GTE										
AL	Contel Of The South DbA GTE South	50.99	49.84	\$23,702,809	\$24,434,760	\$26,775,917	\$27,072,018	102%	97%	99%
AL	GTE And Contel Of Alabama	39.6	40.37	\$17,342,887	\$18,081,074	\$21,422,739	\$22,000,749	98%	96%	97%
CA	Contel Of California - California	33.28	38.78	\$27,921,299	\$40,908,017	\$31,530,650	\$47,846,906	86%	68%	66%
CA	GTE Of California	19.21	22.14	\$8,467,663	\$14,345,061	\$13,800,753	\$27,586,946	87%	59%	50%
FL	GTE FloridaInc	20.8	23.9	\$3,894,241	\$4,256,293	\$6,278,718	\$7,655,002	87%	91%	82%
HI	GTE Hawaiian Telephone Co Inc	22.66	24.36	\$13,598,338	\$6,640,350	\$14,234,211	\$8,412,226	93%	205%	169%
IA	GTE And Contel Of Iowa	48.87	58.17	\$23,068,176	\$36,002,177	\$27,831,737	\$39,798,751	84%	64%	70%
ID	GTE Northwest Inc - Idaho	36.03	46.45	\$11,620,262	\$20,076,305	\$14,958,430	\$25,171,275	78%	58%	59%
IL	Contel Of Illinois Inc DbA GTE - Illinois	42.47	45.48	\$27,237,739	\$36,672,818	\$30,437,993	\$41,844,774	93%	74%	73%
IL	GTE Of Illinois	33.73	36.77	\$45,605,412	\$61,794,531	\$62,497,089	\$83,799,133	92%	74%	75%
IN	Contel Of Indiana Inc DbA GTE - Indiana	39.92	39.48	\$17,399,505	\$19,072,111	\$24,611,555	\$26,474,140	101%	91%	93%

IN	GTE Of Indiana	26.89	29.47	\$18,619,742	\$22,286,074	\$24,894,496	\$30,642,221	91%	84%	81%
KY	GTE South Inc - Kentucky	28.43	32.92	\$15,553,755	\$22,943,133	\$22,566,109	\$30,265,626	86%	68%	75%
MI	GTE North Inc-MI	34.14	36.47	\$35,567,308	\$51,717,455	\$47,498,179	\$65,386,326	94%	69%	73%
MN	Contel Of Minnesota Inc Dba GTE Minnesota	56.21	63.94	\$32,252,835	\$42,298,963	\$35,563,230	\$45,531,582	88%	76%	78%
MO	Contel Missouri DBA GTE Missouri	47.99	56.71	\$47,257,143	\$63,278,358	\$53,694,591	\$67,245,274	85%	75%	80%
MO	GTE North Inc - Missouri	36.21	39.35	\$12,699,903	\$14,964,470	\$14,108,856	\$17,126,760	92%	85%	82%
NC	Contel Of North Carolina Dba GTE No Carolina	38.84	44.27	\$10,682,515	\$14,563,405	\$14,678,170	\$17,431,476	88%	73%	84%
NC	GTE South Inc - North Carolina	22.2	25.51	\$961,058	\$1,372,014	\$1,490,784	\$2,329,420	87%	70%	64%
OH	GTE North Inc-OH	32.43	34.84	\$39,658,092	\$53,188,009	\$53,696,817	\$68,834,267	93%	75%	78%
OK	GTE Southwest Inc - Oklahoma	33.54	37.98	\$9,159,817	\$11,544,024	\$10,415,032	\$13,049,377	88%	79%	80%
OR	GTE Of The Northwest	25.79	29.36	\$13,284,872	\$14,544,968	\$16,012,045	\$15,673,391	88%	91%	102%
PA	GTE North Inc-PA and Contel	26.8	30.3	\$10,527,505	\$2,024,839	\$15,438,668	\$2,793,266	88%	520%	553%
SC	GTE South Inc - South Carolina	28.99	32.38	\$7,214,646	\$6,672,498	\$9,435,660	\$9,543,650	90%	108%	99%
TX	Contel Of Texas Inc Dba GTE Texas	60.47	62.76	\$58,714,383	\$77,370,725	\$67,462,744	\$82,442,006	96%	76%	82%
TX	GTE Southwest Inc - Texas	27.79	34.63	\$70,759,826	\$130,058,907	\$86,909,981	\$152,317,586	80%	54%	57%
VA	Contel Of Virginia Inc Dba GTE Virginia	30.25	33.46	\$28,307,921	\$30,996,830	\$31,833,018	\$30,996,830	90%	91%	103%
WA	GTE Northwest Inc - Washington	23.63	27.74	\$11,891,733	\$19,848,921	\$14,785,430	\$19,848,921	85%	60%	74%
WI	GTE North Inc-WI	37.6	42.71	\$40,341,527	\$60,962,072	\$53,418,843	\$60,962,072	88%	66%	88%
				\$683,312,912	\$922,919,162	\$848,282,445	\$1,090,081,971		74%	78%

SBC

AR	Southwestern Bell-Arkansas	28.34	34.48	\$32,664,747	\$52,051,355	\$51,914,348	\$68,807,695	82%	63%	75%
CA	Pacific Bell	19.85	22.26	\$51,706,052	\$89,264,237	\$89,864,345	\$149,780,471	89%	58%	60%
KS	Southwestern Bell-Kansas	26.45	31.28	\$40,048,188	\$60,196,983	\$63,511,254	\$86,239,785	85%	67%	74%
MO	Southwestern Bell-Missouri	25.02	27.07	\$52,531,427	\$52,535,705	\$82,556,863	\$74,350,288	92%	100%	111%
NV	Nevada Bell	29.85	30.49	\$24,852,524	\$19,356,251	\$24,732,280	\$21,290,766	98%	128%	116%
OK	Southwestern Bell-Oklahoma	28.73	31.47	\$59,147,815	\$70,410,234	\$90,044,249	\$95,995,701	91%	84%	94%
TX	Southwestern Bell-Texas	22.78	26.12	\$111,826,190	\$140,697,453	\$188,385,282	\$209,486,629	87%	79%	90%
				\$372,776,943	\$484,512,218	\$591,008,621	\$705,951,335		77%	84%

U S WEST

AZ	Mountain Bell-Arizona	22.9	27.49	\$33,268,040	\$65,341,173	\$45,169,432	\$78,102,357	83%	51%	58%
CO	Mountain Bell-Colorado	24.88	27.82	\$44,600,065	\$58,536,653	\$71,022,035	\$58,536,653	89%	76%	121%
IA	Northwestern Bell-IA	24.72	29.31	\$19,094,732	\$28,599,145	\$38,773,670	\$46,006,499	84%	67%	84%
ID	Mountain Bell-Idaho	27.83	32.66	\$19,575,193	\$25,071,808	\$3,619,208	\$36,357,762	85%	78%	10%
MN	Northwestern Bell-Minnesota	24.61	26.23	\$43,844,709	\$36,037,983	\$74,330,116	\$61,637,946	94%	122%	121%
MT	Mountain Bell-Montana	31.11	42.3	\$23,871,303	\$39,741,958	\$33,475,887	\$39,741,958	74%	60%	84%
ND	Northwestern Bell-North Dakota	28.21	35.78	\$12,379,417	\$22,127,253	\$21,181,517	\$30,644,710	79%	56%	69%
NE	Northwestern Bell-Nebraska	32.54	31.18	\$32,026,675	\$32,552,590	\$45,343,632	\$42,547,084	104%	98%	107%
NM	Mountain Bell-New Mexico	27.28	31.85	\$24,264,146	\$35,740,221	\$41,207,327	\$51,331,678	86%	68%	80%
OR	Pacific Northwest Bell-Oregon	23.84	27.39	\$16,836,610	\$26,820,570	\$36,697,426	\$28,892,289	87%	63%	127%
SD	Northwestern Bell-South Dakota	31.08	38.97	\$16,505,106	\$27,574,307	\$25,888,937	\$37,855,751	80%	60%	68%
UT	Mountain Bell-Utah	22.99	25.72	\$12,456,712	\$12,272,197	\$18,695,690	\$12,272,497	89%	102%	152%
WA	Pacific Northwest Bell-Washington	22.24	25.32	\$19,852,847	\$29,432,490	\$34,340,028	\$29,432,490	88%	67%	117%
WY	Mountain Bell-Wyoming	37.25	45.87	\$19,220,466	\$31,744,208	\$36,206,946	\$31,744,208	81%	61%	114%
				\$337,796,021	\$471,592,556	\$525,951,851	\$585,103,882		72%	90%

SPRINT

FL	Central Tel Co Of Florida	29.56	29.73	\$18,508,242	\$14,520,242	\$15,862,124	\$18,684,201	99%	127%	85%
FL	United Tel Co Of Florida	25.01	27.83	\$14,398,354	\$15,648,618	\$28,697,654	\$31,860,203	90%	92%	90%
IL	Central Tel Co Of IL	23.63	24.81	\$4,285,646	\$3,645,203	\$5,341,723	\$5,058,573	95%	118%	106%

29.97

78.61

\$27.079

\$16.604

IN	United Tel Co Of Indiana Inc	37.04	38.67	\$19,177,775	\$20,374,952	\$25,085,440	\$26,633,393	96%	94%	94%
MN	United Telephone Co Of Minn	34.03	38.27	\$10,215,370	\$12,338,819	\$14,349,410	\$16,764,732	89%	83%	86%
MO	United Telephone Co Of Missouri	39.45	41.12	\$24,714,752	\$27,879,543	\$34,046,218	\$34,302,223	96%	89%	99%
NC	Carolina Tel And Tel Co	37.41	33.24	\$82,713,971	\$43,892,459	\$118,490,859	\$68,349,152	113%	188%	173%
NC	Central Tel Co-NC	34.8	31.53	\$14,986,994	\$7,957,317	\$20,248,865	\$12,135,530	110%	188%	167%
NJ	United Tel Co Of NJ Inc	26.87	27.63	\$1,462,068	\$1,131,535	\$2,660,660	\$1,974,513	97%	129%	135%
NV	Central Telephone Company - Nevada	20.1	21.85	\$3,609,391	\$3,580,363	\$3,514,379	\$3,718,566	92%	101%	95%
OH	United Tel Co Of Ohio	32.95	33.27	\$28,133,243	\$27,361,286	\$40,154,674	\$37,672,688	99%	103%	107%
PA	United Tel Co Of PA	33.18	33.11	\$20,819,031	\$18,178,669	\$26,789,989	\$24,024,239	100%	115%	112%
TN	United Inter-mountain Tel Co-TN	28.85	30.79	\$5,940,045	\$6,231,493	\$9,142,876	\$8,487,749	94%	95%	108%
TX	Central Telephone Company Of Texas	30.58	32.92	\$13,267,107	\$15,179,664	\$14,157,771	\$17,400,468	93%	87%	81%
TX	United Telephone Co Of Texas Inc	46.26	48.57	\$22,666,257	\$26,226,413	\$29,708,430	\$31,502,921	95%	86%	94%
VA	Central Tel Co Of VA	39.94	36.63	\$32,179,046	\$24,900,275	\$39,961,561	\$24,900,275	109%	129%	160%
VA	United Inter-mountain Tel Co-VA	42.39	39.19	\$13,128,723	\$10,868,681	\$16,081,225	\$10,868,681	108%	121%	148%
				\$330,206,015	\$279,915,532	\$444,293,858	\$374,338,107		118%	119%
OTHER NON-RURAL LECs										
NC	Alltel Carolina Inc-north	32.57	33.32	\$8,327,138	\$6,432,176	\$10,175,564	\$8,816,669	98%	129%	115%
GA	Alltel Georgia Communications Corp	37.47	37.65	\$21,685,737	\$22,814,710	\$30,460,356	\$30,925,182	100%	95%	98%
OH	Alltel Ohio Inc	28.34	28.25	\$3,501,967	\$3,060,058	\$3,711,806	\$4,159,889	100%	114%	89%
PA	Alltel Pennsylvania Inc	38.64	37.19	\$23,432,983	\$20,508,190	\$28,054,830	\$24,963,717	104%	114%	112%
AK	Anchorage Tel Util	23.42	22.74	\$2,632,183	\$347,873	\$3,371,537	\$643,492	103%	757%	524%
KY	Cincinnati Bell-KY	31.1	26.9	\$7,617,447	\$3,729,401	\$7,639,733	\$4,838,859	116%	204%	158%
OH	Cincinnati Bell-Ohio	24.7	23.01	\$2,780,257	\$1,167,828	\$3,632,349	\$1,879,630	107%	238%	193%
NY	Citizens Telecom-NY	42.19	40.5	\$42,453,710	\$35,821,919	\$45,211,657	\$41,234,015	104%	119%	110%
PA	C-tec Corp	37.27	37.82	\$20,305,068	\$17,252,582	\$24,720,186	\$20,679,950	99%	118%	120%
MN	Frontier Comm Of Minnesota Inc	37.07	39.08	\$10,711,573	\$11,873,037	\$12,238,008	\$14,760,960	95%	90%	83%
NE	Lincoln Tel And Tele Co	37.52	38.98	\$29,642,347	\$34,770,514	\$31,380,453	\$39,053,176	96%	85%	80%
NC	North State Tel Co-NC	24.55	26.61	\$269,971	\$240,835	\$731,933	\$725,726	92%	112%	101%
PR	P R T C - Central	31.35	26.28	\$1,270,640	\$1,910	\$2,856,997	\$88,262	119%	66526%	3237%
PR	Puerto Rico Tel Co	31.17	23.77	\$16,779,893	\$517,267	\$32,140,017	\$4,188,567	131%	3244%	767%
NY	Rochester Telephone Corp	25.59	23.08	\$5,749,106	\$3,053,271	\$7,794,533	\$5,677,393	111%	188%	137%
CA	Roseville Telephone Company	21.42	22.42	\$0	\$0	\$0	\$4,470	96%		0%
CT	Southern New England Tel	23.16	24.39	\$5,701,163	\$5,479,050	\$12,191,156	\$11,349,764	95%	104%	107%
WA	Telephone Utilities Of WA Inc	47.88	61.36	\$29,751,420	\$41,919,302	\$33,992,927	\$41,919,302	78%	71%	81%
OH	Western Reserve Tel Co	30.28	32.17	\$6,272,630	\$6,597,760	\$6,480,401	\$7,383,164	94%	95%	88%
				\$238,885,233	\$215,587,683	\$296,784,443	\$263,292,187		111%	113%

FEB

State	Company	HATFIELD Unit Cost per Month	BCPM Monthly Cost	HATFIELD Fund at WC	BCPM Fund at WC	HATFIELD Fund at CBG	BCPM Fund at CBG	% Cost Per Line	% Fund at WC	% Fund At CBG
AMERITECH										
IL	Illinois Bell Tel Co	\$ 21.30	\$ 22.44	\$ 28,388,379	\$ 17,026,748	\$ 33,546,523	\$ 30,915,042	95%	167%	109%
IN	Indiana Bell Tel Co	\$ 22.77	\$ 25.88	\$ 22,839,727	\$ 22,308,918	\$ 32,205,233	\$ 35,881,325	88%	102%	90%
MI	Michigan Bell Tel Co	\$ 22.20	\$ 25.09	\$ 43,275,112	\$ 53,165,490	\$ 62,972,453	\$ 80,705,352	88%	81%	78%
OH	Ohio Bell Tel Co	\$ 21.49	\$ 24.03	\$ 20,051,492	\$ 19,893,463	\$ 33,089,712	\$ 32,125,471	89%	101%	103%
WI	Wisconsin Bell	\$ 21.24	\$ 24.29	\$ 7,098,544	\$ 9,223,453	\$ 22,700,288	\$ 25,470,320	87%	77%	89%
				\$ 121,653,254	\$ 121,618,072	\$ 184,514,209	\$ 205,097,510		100%	90%
BELL ATLANTIC										
DC	C And P Telephone Company Of WA Dc	\$ 16.84	\$ 18.62	\$ -	\$ -	\$ 568,593	\$ -	90%		
DE	Diamond State Tel Co	\$ 22.96	\$ 24.62	\$ 4,819,742	\$ 3,744,074	\$ 19,906,748	\$ 6,278,463	93%	129%	317%
MA	New England Tel-MA	\$ 21.52	\$ 22.09	\$ 12,999,099	\$ 7,649,281	\$ 15,867,028	\$ 14,307,268	97%	170%	111%
MD	C And P Tel Co Of MD	\$ 22.80	\$ 23.31	\$ 31,737,034	\$ 15,969,467	\$ 40,605,254	\$ 26,181,150	98%	199%	155%
ME	New England Tel-Maine	\$ 31.54	\$ 32.06	\$ 40,718,480	\$ 33,825,354	\$ 49,305,919	\$ 43,851,102	98%	120%	112%
NH	New England Tel-NH	\$ 27.25	\$ 28.05	\$ 25,654,811	\$ 17,915,483	\$ 31,279,017	\$ 24,074,748	97%	143%	130%
NJ	New Jersey Bell	\$ 20.56	\$ 20.14	\$ 3,942,854	\$ 1,026,480	\$ 9,379,559	\$ 5,606,312	102%	384%	167%
NY	New York Tel	\$ 20.79	\$ 21.74	\$ 84,139,829	\$ 58,661,566	\$ 120,695,452	\$ 88,917,799	96%	143%	136%
PA	Bell Of Pennsylvania	\$ 22.77	\$ 23.52	\$ 57,541,929	\$ 35,059,834	\$ 82,817,548	\$ 56,911,030	97%	164%	146%
RI	New England Tel-RI	\$ 21.70	\$ 24.12	\$ 1,551,698	\$ 1,620,186	\$ 3,149,093	\$ 2,480,565	90%	96%	127%
VA	C And P Tel Co Of VA	\$ 23.18	\$ 24.98	\$ 60,025,416	\$ 41,766,623	\$ 71,432,343	\$ 56,046,318	93%	144%	127%
VT	New England Tel-VT	\$ 32.40	\$ 33.91	\$ 22,175,608	\$ 18,576,967	\$ 29,596,339	\$ 24,829,014	96%	119%	119%
WV	C And P Tel Co Of W VA	\$ 35.89	\$ 36.39	\$ 69,177,310	\$ 62,325,112	\$ 88,684,115	\$ 76,923,339	99%	111%	115%
				\$ 414,483,809	\$ 298,140,427	\$ 563,287,007	\$ 426,407,108		139%	132%
BELL SOUTH										
AL	South Central Bell-AL	\$ 30.02	\$ 30.98	\$ 70,812,241	\$ 61,153,353	\$ 121,989,558	\$ 93,475,650	97%	116%	131%
FL	Southern Bell-FL	\$ 21.13	\$ 23.60	\$ 22,225,051	\$ 19,244,532	\$ 36,367,340	\$ 35,772,660	90%	115%	102%
GA	Southern Bell-GA	\$ 24.33	\$ 26.83	\$ 44,275,148	\$ 45,398,606	\$ 86,066,836	\$ 81,402,602	91%	98%	106%
KY	South Central Bell-KY	\$ 29.11	\$ 31.25	\$ 49,016,024	\$ 53,755,232	\$ 65,042,114	\$ 73,061,417	93%	91%	89%
LA	South Central Bell-LA	\$ 26.56	\$ 29.12	\$ 67,626,203	\$ 67,991,740	\$ 87,449,120	\$ 93,495,899	91%	99%	94%
MS	South Central Bell-Mississippi	\$ 37.09	\$ 39.12	\$ 112,130,933	\$ 115,486,809	\$ 163,032,163	\$ 148,958,966	95%	97%	109%
NC	Southern Bell-NC	\$ 24.47	\$ 26.84	\$ 23,648,553	\$ 18,758,160	\$ 43,264,567	\$ 35,133,909	91%	126%	123%
SC	Southern Bell-SC	\$ 26.35	\$ 29.32	\$ 20,543,310	\$ 25,877,854	\$ 39,881,768	\$ 46,071,793	90%	79%	87%
TN	South Central Bell-TN	\$ 27.13	\$ 28.80	\$ 62,506,950	\$ 58,314,896	\$ 106,727,079	\$ 92,413,053	94%	107%	115%
				\$ 472,784,412	\$ 465,981,181	\$ 749,820,545	\$ 699,785,949		101%	107%
GTE										
AL	Contel Of The South DbA GTE South	\$ 53.05	\$ 49.84	\$ 23,940,321	\$ 24,434,760	\$ 23,339,721	\$ 27,072,018	106%	98%	86%
AL	GTE And Contel Of Alabama	\$ 39.78	\$ 40.37	\$ 18,090,724	\$ 18,081,074	\$ 22,236,064	\$ 22,000,749	99%	100%	101%
CA	Contel Of California - California	\$ 33.35	\$ 38.78	\$ 29,597,713	\$ 40,908,017	\$ 32,983,149	\$ 47,846,906	86%	72%	69%
CA	GTE Of California	\$ 19.21	\$ 22.14	\$ 9,404,795	\$ 14,345,061	\$ 15,121,882	\$ 27,586,946	87%	66%	55%
FL	GTE Florida Inc	\$ 20.82	\$ 23.90	\$ 4,590,518	\$ 4,256,293	\$ 7,172,273	\$ 7,655,002	87%	108%	94%
HI	GTE Hawaiian Telephone Co Inc	\$ 22.69	\$ 24.36	\$ 15,387,188	\$ 6,640,350	\$ 15,690,447	\$ 8,412,226	93%	232%	187%
IA	GTE And Contel Of Iowa	\$ 48.97	\$ 58.17	\$ 23,797,715	\$ 36,002,177	\$ 28,422,830	\$ 39,798,751	84%	66%	71%
ID	GTE Northwest Inc - Idaho	\$ 36.10	\$ 46.45	\$ 12,304,731	\$ 20,076,305	\$ 15,646,164	\$ 25,171,275	78%	61%	62%
IL	Contel Of Illinois Inc DbA GTE - Illinois	\$ 42.63	\$ 45.48	\$ 28,644,372	\$ 36,672,818	\$ 28,984,037	\$ 41,844,774	94%	78%	69%
IL	GTE Of Illinois	\$ 33.90	\$ 36.77	\$ 49,507,362	\$ 61,794,531	\$ 59,188,073	\$ 83,799,133	92%	80%	71%
IN	Contel Of Indiana Inc DbA GTE - Indiana	\$ 40.12	\$ 39.48	\$ 18,237,658	\$ 19,072,111	\$ 22,836,815	\$ 26,474,140	102%	96%	86%

IN	GTE Of Indiana	\$ 26.99	\$ 29.47	\$ 21,366,408	\$ 22,286,074	\$ 24,575,894	\$ 30,642,221	92%	96%	80%
KY	GTE South Inc - Kentucky	\$ 28.53	\$ 32.92	\$ 16,787,175	\$ 22,943,133	\$ 23,948,196	\$ 30,265,626	87%	73%	79%
MI	GTE North Inc-MI	\$ 34.19	\$ 36.47	\$ 41,389,034	\$ 51,717,455	\$ 50,604,211	\$ 65,386,326	94%	80%	77%
MN	Contel Of Minnesota Inc DbA GTE Minnesota	\$ 56.36	\$ 63.94	\$ 32,763,611	\$ 42,298,963	\$ 32,597,681	\$ 45,531,582	88%	77%	72%
MO	Contel Missouri DBA GTE Missouri	\$ 48.09	\$ 56.71	\$ 48,977,232	\$ 63,278,358	\$ 55,114,643	\$ 67,245,274	85%	77%	82%
MO	GTE North Inc - Missouri	\$ 36.34	\$ 39.35	\$ 13,993,653	\$ 14,964,470	\$ 14,901,184	\$ 17,126,760	92%	90%	87%
NC	Contel Of North Carolina DbA GTE No Carolina	\$ 39.11	\$ 44.27	\$ 11,356,483	\$ 14,563,405	\$ 14,304,190	\$ 17,431,476	88%	78%	82%
NC	GTE South Inc - North Carolina	\$ 22.35	\$ 25.51	\$ 1,198,163	\$ 1,372,014	\$ 1,816,687	\$ 2,329,420	88%	87%	78%
OH	GTE North Inc-OH	\$ 32.50	\$ 34.84	\$ 42,591,734	\$ 53,188,009	\$ 56,063,660	\$ 68,834,267	93%	80%	81%
OK	GTE Southwest Inc - Oklahoma	\$ 34.65	\$ 37.98	\$ 9,655,183	\$ 11,544,024	\$ 10,284,198	\$ 13,049,377	91%	84%	79%
OR	GTE Of The Northwest	\$ 26.62	\$ 29.36	\$ 14,406,679	\$ 14,544,968	\$ 16,367,030	\$ 15,673,391	91%	99%	104%
PA	GTE North Inc-PA and Contel	\$ 26.89	\$ 30.30	\$ 11,771,453	\$ 2,024,839	\$ 18,562,172	\$ 2,793,266	89%	581%	665%
SC	GTE South Inc - South Carolina	\$ 29.10	\$ 32.38	\$ 7,808,096	\$ 6,672,498	\$ 9,993,020	\$ 9,543,650	90%	117%	105%
TX	Contel Of Texas Inc DbA GTE Texas	\$ 60.95	\$ 62.76	\$ 77,418,456	\$ 77,370,725	\$ 80,994,669	\$ 82,442,006	97%	100%	98%
TX	GTE Southwest Inc - Texas	\$ 27.85	\$ 34.63	\$ 76,608,758	\$ 130,058,907	\$ 110,960,949	\$ 152,317,586	80%	59%	73%
VA	Contel Of Virginia Inc DbA GTE Virginia	\$ 30.35	\$ 33.46	\$ 30,306,206	\$ 30,996,830	\$ 33,146,823	\$ 35,757,499	91%	98%	93%
WA	GTE Northwest Inc - Washington	\$ 23.64	\$ 27.74	\$ 13,295,424	\$ 19,848,921	\$ 16,373,824	\$ 26,023,743	85%	67%	63%
WI	GTE North Inc-WI	\$ 37.64	\$ 42.71	\$ 41,942,280	\$ 60,962,072	\$ 54,615,139	\$ 76,074,367	88%	69%	72%
				\$ 746,539,125	\$ 922,919,161	\$ 896,845,625	\$ 1,116,129,757	81%	80%	

SBC

AR	Southwestern Bell-Arkansas	\$ 28.46	\$ 34.48	\$ 34,871,589	\$ 52,051,355	\$ 54,730,374	\$ 68,807,695	83%	67%	80%
CA	Pacific Bell	\$ 19.89	\$ 22.26	\$ 59,808,368	\$ 89,264,237	\$ 99,930,461	\$ 149,780,471	89%	67%	67%
KS	Southwestern Bell-Kansas	\$ 26.47	\$ 31.28	\$ 43,761,117	\$ 60,196,983	\$ 62,644,752	\$ 86,239,785	85%	73%	73%
MO	Southwestern Bell-Missouri	\$ 25.08	\$ 27.07	\$ 56,741,319	\$ 52,535,705	\$ 88,493,315	\$ 74,350,288	93%	108%	119%
NV	Nevada Bell	\$ 29.98	\$ 30.49	\$ 26,086,418	\$ 19,356,251	\$ 25,237,505	\$ 21,290,766	98%	135%	119%
OK	Southwestern Bell-Oklahoma	\$ 28.84	\$ 31.47	\$ 74,179,744	\$ 70,410,234	\$ 98,022,533	\$ 95,995,701	92%	105%	102%
TX	Southwestern Bell-Texas	\$ 22.84	\$ 26.12	\$ 121,734,709	\$ 140,697,453	\$ 199,553,559	\$ 209,486,629	87%	87%	95%
				\$ 417,183,263	\$ 484,512,218	\$ 628,612,499	\$ 705,951,335	86%	89%	

U S WEST

AZ	Mountain Bell-Arizona	\$ 22.93	\$ 27.49	\$ 35,931,699	\$ 65,341,173	\$ 67,623,744	\$ 78,102,357	83%	55%	87%
CO	Mountain Bell-Colorado	\$ 25.02	\$ 27.82	\$ 54,850,895	\$ 58,536,653	\$ 83,833,261	\$ 84,130,088	90%	94%	100%
IA	Northwestern Bell-IA	\$ 24.80	\$ 29.31	\$ 20,661,868	\$ 28,599,145	\$ 49,460,353	\$ 46,006,499	85%	72%	108%
ID	Mountain Bell-Idaho	\$ 27.90	\$ 32.66	\$ 20,469,052	\$ 25,071,808	\$ 31,181,597	\$ 36,357,762	85%	82%	86%
MN	Northwestern Bell-Minnesota	\$ 24.65	\$ 26.23	\$ 48,874,493	\$ 36,037,983	\$ 76,029,039	\$ 61,637,946	94%	136%	123%
MT	Mountain Bell-Montana	\$ 31.32	\$ 42.30	\$ 24,271,577	\$ 39,741,958	\$ 29,696,827	\$ 52,912,307	74%	61%	56%
ND	Northwestern Bell-North Dakota	\$ 28.61	\$ 35.78	\$ 12,160,724	\$ 22,127,253	\$ 19,641,783	\$ 30,644,710	80%	55%	64%
NE	Northwestern Bell-Nebraska	\$ 32.82	\$ 31.18	\$ 42,532,041	\$ 32,552,590	\$ 58,528,900	\$ 42,547,084	105%	131%	138%
NM	Mountain Bell-New Mexico	\$ 27.47	\$ 31.85	\$ 26,157,823	\$ 35,740,221	\$ 50,007,046	\$ 51,331,678	86%	73%	97%
OR	Pacific Northwest Bell-Oregon	\$ 24.10	\$ 27.39	\$ 17,885,461	\$ 26,820,570	\$ 35,987,897	\$ 28,892,289	88%	67%	125%
SD	Northwestern Bell-South Dakota	\$ 31.23	\$ 38.97	\$ 17,695,603	\$ 27,574,307	\$ 27,499,896	\$ 37,855,751	80%	64%	73%
UT	Mountain Bell-Utah	\$ 23.09	\$ 25.72	\$ 14,481,702	\$ 12,272,497	\$ 20,144,039	\$ 19,174,094	90%	118%	105%
WA	Pacific Northwest Bell-Washington	\$ 22.36	\$ 25.32	\$ 21,716,084	\$ 29,432,490	\$ 35,018,850	\$ 46,203,827	88%	74%	76%
WY	Mountain Bell-Wyoming	\$ 37.40	\$ 45.87	\$ 20,009,020	\$ 31,744,208	\$ 36,778,036	\$ 47,038,477	82%	63%	78%
				\$ 377,698,043	\$ 471,592,855	\$ 621,431,267	\$ 662,834,869	80%	94%	

SPRINT

FL	Central Tel Co Of Florida	\$ 29.47	\$ 29.73	\$ 20,897,348	\$ 14,520,396	\$ 25,768,902	\$ 18,684,201	99%	144%	138%
FL	United Tel Co Of Florida	\$ 25.01	\$ 27.83	\$ 15,887,551	\$ 15,648,618	\$ 30,889,931	\$ 31,860,203	90%	102%	97%
IL	Central Tel Co Of IL	\$ 23.79	\$ 24.81	\$ 4,699,850	\$ 3,645,203	\$ 5,134,191	\$ 5,058,573	96%	129%	101%
IN	United Tel Co Of Indiana Inc	\$ 37.99	\$ 38.67	\$ 19,837,665	\$ 20,374,952	\$ 22,757,232	\$ 26,633,393	98%	97%	85%
MN	United Telephone Co Of Minn	\$ 34.30	\$ 38.27	\$ 10,613,413	\$ 12,338,819	\$ 12,686,329	\$ 16,764,732	90%	86%	76%
MO	United Telephone Co Of Missouri	\$ 39.76	\$ 41.12	\$ 26,303,879	\$ 27,879,543	\$ 34,756,290	\$ 34,302,223	97%	94%	101%
NC	Carolina Tel And Tel Co	\$ 37.47	\$ 33.24	\$ 86,835,225	\$ 43,892,459	\$ 117,178,567	\$ 68,349,152	113%	198%	171%
NC	Central Tel Co-NC	\$ 34.90	\$ 31.53	\$ 15,535,929	\$ 7,957,317	\$ 19,514,634	\$ 12,135,530	111%	195%	161%
NJ	United Tel Co Of NJ Inc	\$ 27.07	\$ 27.63	\$ 1,747,993	\$ 1,131,535	\$ 2,357,426	\$ 1,974,513	98%	154%	119%
NV	Central Telephone Company - Nevada	\$ 20.16	\$ 21.85	\$ 3,618,672	\$ 3,580,363	\$ 4,463,567	\$ 3,718,566	92%	101%	120%

OH	United Tel Co Of Ohio	\$ 33.02	\$ 33.27	\$ 30,624,716	\$ 27,361,286	\$ 43,240,277	\$ 37,672,688	99%	112%	115%
PA	United Tel Co Of PA	\$ 33.44	\$ 33.11	\$ 22,090,835	\$ 18,178,669	\$ 26,703,830	\$ 24,024,239	101%	122%	111%
TN	United Inter-mountain Tel Co-TN	\$ 28.94	\$ 30.79	\$ 6,452,880	\$ 6,231,493	\$ 9,653,208	\$ 8,487,749	94%	104%	114%
TX	Central Telephone Company Of Texas	\$ 30.44	\$ 32.92	\$ 15,816,508	\$ 15,179,664	\$ 16,995,792	\$ 17,400,468	92%	104%	98%
TX	United Telephone Co Of Texas Inc	\$ 46.48	\$ 48.57	\$ 23,319,013	\$ 26,226,413	\$ 30,374,111	\$ 31,502,921	96%	89%	96%
VA	Central Tel Co Of VA	\$ 39.98	\$ 36.63	\$ 33,438,641	\$ 24,900,275	\$ 41,277,408	\$ 31,922,680	109%	134%	129%
VA	United Inter-mountain Tel Co-VA	\$ 41.38	\$ 39.19	\$ 16,706,011	\$ 10,868,681	\$ 23,556,130	\$ 13,401,068	106%	154%	176%
				\$ 354,426,131	\$ 279,915,686	\$ 467,307,825	\$ 383,892,899	127% 122%		

OTHER NON-RURALS

NC	Alltel Carolina Inc-north	\$ 32.84	\$ 33.32	\$ 8,969,771	\$ 6,432,176	\$ 9,892,925	\$ 8,816,669	99%	139%	112%
GA	Alltel Georgia Communications Corp	\$ 37.79	\$ 37.65	\$ 22,049,979	\$ 22,814,710	\$ 29,193,196	\$ 30,925,182	100%	97%	94%
OH	Alltel Ohio Inc	\$ 28.60	\$ 28.25	\$ 3,963,352	\$ 3,060,058	\$ 3,845,099	\$ 4,159,889	101%	130%	92%
PA	Alltel Pennsylvania Inc	\$ 38.86	\$ 37.19	\$ 24,597,300	\$ 20,508,190	\$ 30,750,124	\$ 24,963,717	104%	120%	123%
AK	Anchorage Tel Util	\$ 23.46	\$ 22.74	\$ 2,882,024	\$ 347,873	\$ 3,558,048	\$ 643,492	103%	828%	553%
KY	Cincinnati Bell-KY	\$ 31.20	\$ 26.90	\$ 8,197,541	\$ 3,729,401	\$ 8,112,802	\$ 4,838,859	116%	220%	168%
OH	Cincinnati Bell-Ohio	\$ 24.71	\$ 23.01	\$ 3,217,391	\$ 1,167,828	\$ 5,880,253	\$ 1,879,630	107%	276%	313%
NY	Citizens Telecom-NY	\$ 31.22	\$ 40.50	\$ 28,332,997	\$ 35,821,919	\$ 28,893,751	\$ 41,234,015	77%	79%	70%
PA	C-tec Corp	\$ 37.49	\$ 37.82	\$ 20,882,024	\$ 17,252,582	\$ 23,234,916	\$ 20,679,950	99%	121%	112%
MN	Frontier Comm Of Minnesota Inc	\$ 37.29	\$ 39.08	\$ 11,238,786	\$ 11,873,037	\$ 12,655,253	\$ 14,760,960	95%	95%	86%
NE	Lincoln Tel And Tele Co	\$ 37.62	\$ 38.98	\$ 37,045,141	\$ 34,770,514	\$ 36,032,318	\$ 39,053,176	97%	107%	92%
NC	North State Tel Co-NC	\$ 24.83	\$ 26.61	\$ 348,115	\$ 240,835	\$ 748,413	\$ 725,726	93%	145%	103%
PR	P R T C - Central	\$ 31.22	\$ 26.28	\$ 1,604,693	\$ 1,910	\$ 3,383,651	\$ 88,262	119%	84015%	3834%
PR	Puerto Rico Tel Co	\$ 31.34	\$ 23.77	\$ 19,278,545	\$ 517,267	\$ 30,142,229	\$ 4,188,567	132%	3727%	720%
NY	Rochester Telephone Corp	\$ 25.64	\$ 23.08	\$ 6,316,683	\$ 3,053,271	\$ 8,474,090	\$ 5,677,393	111%	207%	149%
CA	Roseville Telephone Company	\$ 21.47	\$ 22.12	\$ -	\$ -	\$ -	\$ 4,470	97%		0%
CT	Southern New England Tel	\$ 23.16	\$ 24.39	\$ 7,552,149	\$ 5,479,050	\$ 24,106,240	\$ 11,349,764	95%	138%	212%
WA	Telephone Utilities Of WA Inc	\$ 48.01	\$ 61.36	\$ 29,963,012	\$ 41,919,302	\$ 32,792,762	\$ 44,105,979	78%	71%	74%
OH	Western Reserve Tel Co	\$ 30.35	\$ 32.17	\$ 6,815,570	\$ 6,597,760	\$ 6,757,553	\$ 7,383,164	94%	103%	92%
				\$ 243,255,073	\$ 215,587,683	\$ 298,453,623	\$ 265,478,864	113% 112%		

GRAND TOTALS

\$ 3,148,023,109 \$ 3,260,267,283 \$ - \$ 4,410,272,601 \$ 4,465,578,290

		February, 1998		April, 1998		Change @ WC	Change @ CBG
		Fund @ WC	Fund @ CBG	Fund @ WC	Fund @ CBG		
AK	Anchorage Tel Util	\$ 2,882,024	\$ 3,558,048	\$2,632,183	\$3,371,537	91%	95%
AL	Contel Of The South Dba GTE South	\$ 23,940,321	\$ 23,339,721	\$23,702,809	\$26,775,917	99%	115%
AL	GTE And Contel Of Alabama	\$ 18,090,724	\$ 22,236,064	\$17,342,887	\$21,422,739	96%	96%
AL	South Central Bell-AL	\$ 70,812,241	\$121,989,558	\$61,117,239	\$101,802,117	86%	83%
AR	Southwestern Bell-Arkansas	\$ 34,871,589	\$ 54,730,374	\$32,664,747	\$51,914,348	94%	95%
AZ	Mountain Bell-Arizona	\$ 35,931,699	\$ 67,623,744	\$33,268,040	\$45,169,432	93%	67%
CA	Contel Of California - California	\$ 29,597,713	\$ 32,983,149	\$27,921,299	\$31,530,650	94%	96%
CA	GTE Of California	\$ 9,404,795	\$ 15,121,882	\$8,467,663	\$13,800,753	90%	91%
CA	Pacific Bell	\$ 59,808,368	\$ 99,930,461	\$51,706,052	\$89,864,345	86%	90%
CA	Roseville Telephone Company	\$ -	\$ -	\$0	\$0		
CO	Mountain Bell-Colorado	\$ 54,850,895	\$ 83,833,261	\$44,600,065	\$71,022,035	81%	85%
CT	Southern New England Tel	\$ 7,552,149	\$ 24,106,240	\$5,701,163	\$12,191,156	75%	51%
DC	C And P Telephone Company Of WA Dc	\$ -	\$ 568,593	\$0	\$253,085		45%
DE	Diamond State Tel Co	\$ 4,819,742	\$ 19,906,748	\$4,328,675	\$7,069,636	90%	36%
FL	Central Tel Co Of Florida	\$ 20,897,348	\$ 25,768,902	\$18,508,242	\$15,862,124	89%	62%
FL	GTE Florida Inc	\$ 4,590,518	\$ 7,172,273	\$3,894,241	\$6,278,718	85%	88%
FL	Southern Bell-FL	\$ 22,225,051	\$ 36,367,340	\$20,406,377	\$34,754,606	92%	96%
FL	United Tel Co Of Florida	\$ 15,887,551	\$ 30,889,931	\$14,398,354	\$28,697,654	91%	93%
GA	Alltel Georgia Communications Corp	\$ 22,049,979	\$ 29,193,196	\$21,685,737	\$30,460,356	98%	104%
GA	Southern Bell-GA	\$ 44,275,148	\$ 86,066,836	\$40,332,410	\$80,928,341	91%	94%
HI	GTE Hawaiian Telephone Co Inc	\$ 15,387,188	\$ 15,690,447	\$13,598,338	\$14,234,211	88%	91%
IA	GTE And Contel Of Iowa	\$ 23,797,715	\$ 28,422,830	\$23,068,176	\$27,831,737	97%	98%
IA	Northwestern Bell-IA	\$ 20,661,868	\$ 49,460,353	\$19,094,732	\$38,773,670	92%	78%
ID	GTE Northwest Inc - Idaho	\$ 12,304,731	\$ 15,646,164	\$11,620,262	\$14,958,430	94%	96%
ID	Mountain Bell-Idaho	\$ 20,469,052	\$ 31,181,597	\$19,575,193	\$3,619,208	96%	12%
IL	Central Tel Co Of IL	\$ 4,699,850	\$ 5,134,191	\$4,285,646	\$5,341,723	91%	104%
IL	Contel Of Illinois Inc Dba GTE - Illinois	\$ 28,644,372	\$ 28,984,037	\$27,237,739	\$30,437,993	95%	105%
IL	GTE Of Illinois	\$ 49,507,362	\$ 59,188,073	\$45,605,412	\$62,497,089	92%	106%
IL	Illinois Bell Tel Co	\$ 28,388,379	\$ 33,546,523	\$23,254,037	\$36,482,002	82%	109%
IN	Contel Of Indiana Inc Dba GTE - Indiana	\$ 18,237,658	\$ 22,836,815	\$17,399,505	\$24,611,555	95%	108%
IN	GTE Of Indiana	\$ 21,366,408	\$ 24,575,894	\$18,619,742	\$24,894,496	87%	101%
IN	Indiana Bell Tel Co	\$ 22,839,727	\$ 32,205,233	\$20,595,649	\$31,727,817	90%	99%
IN	United Tel Co Of Indiana Inc	\$ 19,837,665	\$ 22,757,232	\$19,177,775	\$25,085,440	97%	110%
KS	Southwestern Bell-Kansas	\$ 43,761,117	\$ 62,644,752	\$40,048,188	\$63,511,254	92%	101%
KY	Cincinnati Bell-KY	\$ 8,197,541	\$ 8,112,802	\$7,617,447	\$7,639,733	93%	94%
KY	GTE South Inc - Kentucky	\$ 16,787,175	\$ 23,948,196	\$15,553,755	\$22,566,109	93%	94%
KY	South Central Bell-KY	\$ 49,016,024	\$ 65,042,114	\$47,376,532	\$66,469,111	97%	102%
LA	South Central Bell-LA	\$ 67,626,203	\$ 87,449,120	\$63,396,987	\$87,410,053	94%	100%
MA	New England Tel-MA	\$ 12,999,099	\$ 15,867,028	\$11,199,935	\$16,964,848	86%	107%
MD	C And P Tel Co Of MD	\$ 31,737,034	\$ 40,605,254	\$26,095,078	\$41,932,715	82%	103%
ME	New England Tel-Maine	\$ 40,718,480	\$ 49,305,919	\$38,042,554	\$48,836,387	93%	99%
MI	GTE North Inc-MI	\$ 41,389,034	\$ 50,604,211	\$35,567,308	\$47,498,179	86%	94%
MI	Michigan Bell Tel Co	\$ 43,275,112	\$ 62,972,453	\$37,981,051	\$63,892,085	88%	101%
MN	Contel Of Minnesota Inc Dba GTE Minnesota	\$ 32,763,611	\$ 32,597,681	\$32,252,835	\$35,563,230	98%	109%
MN	Frontier Comm Of Minnesota Inc	\$ 11,238,786	\$ 12,655,253	\$10,711,573	\$12,238,008	95%	97%
MN	Northwestern Bell-Minnesota	\$ 48,874,493	\$ 76,029,039	\$43,844,709	\$74,330,116	90%	98%
MN	United Telephone Co Of Minn	\$ 10,613,413	\$ 12,686,329	\$10,215,370	\$14,349,410	96%	113%
MO	Contel Missouri DBA GTE Missouri	\$ 48,977,232	\$ 55,114,643	\$47,257,143	\$53,694,591	96%	97%
MO	GTE North Inc - Missouri	\$ 13,393,653	\$ 14,901,184	\$12,699,903	\$14,108,856	95%	95%
MO	Southwestern Bell-Missouri	\$ 56,741,319	\$ 88,493,315	\$52,531,427	\$82,556,863	93%	93%
MO	United Telephone Co Of Missouri	\$ 26,303,879	\$ 34,756,290	\$24,714,752	\$34,046,218	94%	98%
MS	South Central Bell-Mississippi	\$112,130,933	\$163,032,163	\$105,533,145	\$149,176,662	94%	92%
MT	Mountain Bell-Montana	\$ 24,271,577	\$ 29,696,827	\$23,871,303	\$33,475,887	98%	113%
NC	Alltel Carolina Inc-north	\$ 8,969,771	\$ 9,892,925	\$8,327,138	\$10,175,564	93%	103%
NC	Carolina Tel And Tel Co	\$ 86,835,225	\$117,178,567	\$82,713,971	\$118,490,859	95%	101%
NC	Central Tel Co-NC	\$ 15,535,929	\$ 19,514,634	\$14,986,994	\$20,248,865	96%	104%
NC	Contel Of North Carolina Dba GTE No Carolina	\$ 11,356,483	\$ 14,304,190	\$10,682,515	\$14,678,170	94%	103%
NC	GTE South Inc - North Carolina	\$ 1,198,163	\$ 1,816,687	\$961,058	\$1,490,784	80%	82%
NC	North State Tel Co-NC	\$ 348,115	\$ 748,413	\$269,971	\$731,933	78%	98%
NC	Southern Bell-NC	\$ 23,648,553	\$ 43,264,567	\$20,547,303	\$40,836,613	87%	94%
ND	Northwestern Bell-North Dakota	\$ 12,160,724	\$ 19,641,783	\$12,379,417	\$21,181,517	102%	108%
NE	Lincoln Tel And Tele Co	\$ 37,045,141	\$ 36,032,318	\$29,642,347	\$31,380,453	80%	87%
NE	Northwestern Bell-Nebraska	\$ 42,532,041	\$ 58,528,900	\$32,026,675	\$45,343,632	75%	77%
NH	New England Tel-NH	\$ 25,654,811	\$ 31,279,017	\$21,795,441	\$26,867,883	85%	86%
NJ	New Jersey Bell	\$ 3,942,854	\$ 9,379,559	\$2,618,383	\$9,765,617	66%	104%
NJ	United Tel Co Of NJ Inc	\$ 1,747,993	\$ 2,357,426	\$1,462,068	\$2,660,660	84%	113%
NM	Mountain Bell-New Mexico	\$ 26,157,823	\$ 50,007,046	\$24,264,146	\$41,207,327	93%	82%
NV	Central Telephone Company - Nevada	\$ 3,618,672	\$ 4,463,567	\$3,609,391	\$3,514,379	100%	79%
NV	Nevada Bell	\$ 26,086,418	\$ 25,237,505	\$24,852,524	\$24,732,280	95%	98%
NY	Citizens Telecom-NY	\$ 28,332,997	\$ 28,893,751	\$42,453,710	\$45,211,657	150%	156%
NY	New York Tel	\$ 84,139,829	\$120,695,452	\$74,772,119	\$111,367,149	89%	92%

NY	Rochester Telephone Corp	\$ 6,316,683	\$ 8,474,090	\$5,749,106	\$7,794,533	91%	92%
OH	Alltel Ohio Inc	\$ 3,963,352	\$ 3,845,099	\$3,501,967	\$3,711,806	88%	97%
OH	Cincinnati Bell-Ohio	\$ 3,217,391	\$ 5,880,253	\$2,780,257	\$3,632,349	86%	62%
OH	GTE North Inc-OH	\$ 42,591,734	\$ 56,063,660	\$39,658,092	\$53,696,817	93%	96%
OH	Ohio Bell Tel Co	\$ 20,051,492	\$ 33,089,712	\$18,150,400	\$30,079,770	91%	91%
OH	United Tel Co Of Ohio	\$ 30,624,716	\$ 43,240,277	\$28,133,243	\$40,154,674	92%	93%
OH	Western Reserve Tel Co	\$ 6,815,570	\$ 6,757,553	\$6,272,630	\$6,480,401	92%	96%
OK	GTE Southwest Inc - Oklahoma	\$ 9,655,183	\$ 10,284,198	\$9,159,817	\$10,415,032	95%	101%
OK	Southwestern Bell-Oklahoma	\$ 74,179,744	\$ 98,022,533	\$59,147,815	\$90,044,249	80%	92%
OR	GTE Of The Northwest	\$ 14,406,679	\$ 16,367,030	\$13,284,872	\$16,012,045	92%	98%
OR	Pacific Northwest Bell-Oregon	\$ 17,885,461	\$ 35,987,897	\$16,836,610	\$36,697,426	94%	102%
PA	Alltel Pennsylvania Inc	\$ 24,597,300	\$ 30,750,124	\$23,432,983	\$28,054,830	95%	91%
PA	Bell Of Pennsylvania	\$ 57,541,929	\$ 82,817,548	\$50,193,973	\$75,673,111	87%	91%
PA	C-tec Corp	\$ 20,882,024	\$ 23,234,916	\$20,305,068	\$24,720,186	97%	106%
PA	GTE North Inc-PA and Contel	\$ 11,771,453	\$ 18,562,172	\$10,527,505	\$15,438,668	89%	83%
PA	United Tel Co Of PA	\$ 22,090,835	\$ 26,703,830	\$20,819,031	\$26,789,989	94%	100%
PR	P R T C - Central	\$ 1,604,693	\$ 3,383,651	\$1,270,640	\$2,856,997	79%	84%
PR	Puerto Rico Tel Co	\$ 19,278,545	\$ 30,142,229	\$16,779,893	\$32,140,017	87%	107%
RI	New England Tel-RI	\$ 1,551,698	\$ 3,149,093	\$1,275,350	\$2,049,788	82%	65%
SC	GTE South Inc - South Carolina	\$ 7,808,096	\$ 9,993,020	\$7,214,646	\$9,435,660	92%	94%
SC	Southern Bell-SC	\$ 20,543,310	\$ 39,881,768	\$19,022,495	\$38,090,229	93%	96%
SD	Northwestern Bell-South Dakota	\$ 17,695,603	\$ 27,499,896	\$16,505,106	\$25,888,937	93%	94%
TN	South Central Bell-TN	\$ 62,506,950	\$106,727,079	\$56,979,530	\$97,518,267	91%	91%
TN	United Inter-mountain Tel Co-TN	\$ 6,452,880	\$ 9,653,208	\$5,940,045	\$9,142,876	92%	95%
TX	Central Telephone Company Of Texas	\$ 15,816,508	\$ 16,995,792	\$13,267,107	\$14,157,771	84%	83%
TX	Contel Of Texas Inc DbA GTE Texas	\$ 77,418,456	\$ 80,994,669	\$58,714,383	\$67,462,744	76%	83%
TX	GTE Southwest Inc - Texas	\$ 76,608,758	\$110,960,949	\$70,759,826	\$86,909,981	92%	78%
TX	Southwestern Bell-Texas	\$121,734,709	\$199,553,559	\$111,826,190	\$188,385,282	92%	94%
TX	United Telephone Co Of Texas Inc	\$ 23,319,013	\$ 30,374,111	\$22,666,257	\$29,708,430	97%	98%
UT	Mountain Bell-Utah	\$ 14,481,702	\$ 20,144,039	\$12,456,712	\$18,695,690	86%	93%
VA	C And P Tel Co Of VA	\$ 60,025,416	\$ 71,432,343	\$53,851,741	\$65,663,877	90%	92%
VA	Central Tel Co Of VA	\$ 33,438,641	\$ 41,277,408	\$32,179,046	\$39,961,561	96%	97%
VA	Contel Of Virginia Inc DbA GTE Virginia	\$ 30,306,206	\$ 33,146,823	\$28,307,921	\$31,833,018	93%	96%
VA	United Inter-mountain Tel Co-VA	\$ 16,706,011	\$ 23,556,130	\$13,128,723	\$16,081,225	79%	68%
VT	New England Tel-VT	\$ 22,175,608	\$ 29,596,339	\$21,840,251	\$27,911,383	98%	94%
WA	GTE Northwest Inc - Washington	\$ 13,295,424	\$ 16,373,824	\$11,891,733	\$14,785,430	89%	90%
WA	Pacific Northwest Bell-Washington	\$ 21,716,084	\$ 35,018,850	\$19,852,847	\$34,340,028	91%	98%
WA	Telephone Utilities Of WA Inc	\$ 29,963,012	\$ 32,792,762	\$29,751,420	\$33,992,927	99%	104%
WI	GTE North Inc-WI	\$ 41,942,280	\$ 54,615,139	\$40,341,527	\$53,418,843	96%	98%
WI	Wisconsin Bell	\$ 7,098,544	\$ 22,700,288	\$6,373,375	\$20,723,109	90%	91%
WV	C And P Tel Co Of W VA	\$ 69,177,310	\$ 88,684,115	\$64,463,724	\$83,053,812	93%	94%

		February, 1998		April, 1998		Change @ WC	Change @ CBG
ID		Fund @ WC	Fund @ CBG	Fund @ WC	Fund @ CBG		
ID	Mountain Bell-Idaho	\$ 20,469,052	\$ 31,181,597	\$19,575,193	\$3,619,208	96%	12%
DE	Diamond State Tel Co	\$ 4,819,742	\$ 19,906,748	\$4,328,675	\$7,069,636	90%	36%
DC	C And P Telephone Company Of WA Dc	\$ -	\$ 568,593	\$0	\$253,085		45%
CT	Southern New England Tel	\$ 7,552,149	\$ 24,106,240	\$5,701,163	\$12,191,156	75%	51%
FL	Central Tel Co Of Florida	\$ 20,897,348	\$ 25,768,902	\$18,508,242	\$15,862,124	89%	62%
OH	Cincinnati Bell-Ohio	\$ 3,217,391	\$ 5,880,253	\$2,780,257	\$3,632,349	86%	62%
RI	New England Tel-RI	\$ 1,551,698	\$ 3,149,093	\$1,275,350	\$2,049,788	82%	65%
AZ	Mountain Bell-Arizona	\$ 35,931,699	\$ 67,623,744	\$33,268,040	\$45,169,432	93%	67%
VA	United Inter-mountain Tel Co-VA	\$ 16,706,011	\$ 23,556,130	\$13,128,723	\$16,081,225	79%	68%
NE	Northwestern Bell-Nebraska	\$ 42,532,041	\$ 58,528,900	\$32,026,675	\$45,343,632	75%	77%
TX	GTE Southwest Inc - Texas	\$ 76,608,758	\$ 110,960,949	\$70,759,826	\$86,909,981	92%	78%
IA	Northwestern Bell-IA	\$ 20,661,868	\$ 49,460,353	\$19,094,732	\$38,773,670	92%	78%
NV	Central Telephone Company - Nevada	\$ 3,618,672	\$ 4,463,567	\$3,609,391	\$3,514,379	100%	79%
NC	GTE South Inc - North Carolina	\$ 1,198,163	\$ 1,816,687	\$961,058	\$1,490,784	80%	82%
NM	Mountain Bell-New Mexico	\$ 26,157,823	\$ 50,007,046	\$24,264,146	\$41,207,327	93%	82%
PA	GTE North Inc-PA and Contel	\$ 11,771,453	\$ 18,562,172	\$10,527,505	\$15,438,668	89%	83%
TX	Contel Of Texas Inc DbA GTE Texas	\$ 77,418,456	\$ 80,994,669	\$58,714,383	\$67,462,744	76%	83%
TX	Central Telephone Company Of Texas	\$ 15,816,508	\$ 16,995,792	\$13,267,107	\$14,157,771	84%	83%
AL	South Central Bell-AL	\$ 70,812,241	\$ 121,989,558	\$61,117,239	\$101,802,117	86%	83%
PR	P R T C - Central	\$ 1,604,693	\$ 3,383,651	\$1,270,640	\$2,856,997	79%	84%
CO	Mountain Bell-Colorado	\$ 54,850,895	\$ 83,833,261	\$44,600,065	\$71,022,035	81%	85%
NH	New England Tel-NH	\$ 25,654,811	\$ 31,279,017	\$21,795,441	\$26,867,883	85%	86%
NE	Lincoln Tel And Tele Co	\$ 37,045,141	\$ 36,032,318	\$29,642,347	\$31,380,453	80%	87%
FL	GTE Florida Inc	\$ 4,590,518	\$ 7,172,273	\$3,894,241	\$6,278,718	85%	88%
CA	Pacific Bell	\$ 59,808,368	\$ 99,930,461	\$51,706,052	\$89,864,345	86%	90%
WA	GTE Northwest Inc - Washington	\$ 13,295,424	\$ 16,373,824	\$11,891,733	\$14,785,430	89%	90%
HI	GTE Hawaiian Telephone Co Inc	\$ 15,387,188	\$ 15,690,447	\$13,598,338	\$14,234,211	88%	91%
OH	Ohio Bell Tel Co	\$ 20,051,492	\$ 33,089,712	\$18,150,400	\$30,079,770	91%	91%
PA	Alltel Pennsylvania Inc	\$ 24,597,300	\$ 30,750,124	\$23,432,983	\$28,054,830	95%	91%
CA	GTE Of California	\$ 9,404,795	\$ 15,121,882	\$8,467,663	\$13,800,753	90%	91%
WI	Wisconsin Bell	\$ 7,098,544	\$ 22,700,288	\$6,373,375	\$20,723,109	90%	91%
TN	South Central Bell-TN	\$ 62,506,950	\$ 106,727,079	\$56,979,530	\$97,518,267	91%	91%
PA	Bell Of Pennsylvania	\$ 57,541,929	\$ 82,817,548	\$50,193,973	\$75,673,111	87%	91%
MS	South Central Bell-Mississippi	\$ 112,130,933	\$ 163,032,163	\$105,533,145	\$149,176,662	94%	92%
OK	Southwestern Bell-Oklahoma	\$ 74,179,744	\$ 98,022,533	\$59,147,815	\$90,044,249	80%	92%
VA	C And P Tel Co Of VA	\$ 60,025,416	\$ 71,432,343	\$53,851,741	\$65,663,877	90%	92%
NY	Rochester Telephone Corp	\$ 6,316,683	\$ 8,474,090	\$5,749,106	\$7,794,533	91%	92%
NY	New York Tel	\$ 84,139,829	\$ 120,695,452	\$74,772,119	\$111,367,149	89%	92%
UT	Mountain Bell-Utah	\$ 14,481,702	\$ 20,144,039	\$12,456,712	\$18,695,690	86%	93%
OH	United Tel Co Of Ohio	\$ 30,624,716	\$ 43,240,277	\$28,133,243	\$40,154,674	92%	93%
FL	United Tel Co Of Florida	\$ 15,887,551	\$ 30,889,931	\$14,398,354	\$28,697,654	91%	93%
MO	Southwestern Bell-Missouri	\$ 56,741,319	\$ 88,493,315	\$52,531,427	\$82,556,863	93%	93%
WV	C And P Tel Co Of W VA	\$ 69,177,310	\$ 88,684,115	\$64,463,724	\$83,053,812	93%	94%
MI	GTE North Inc-MI	\$ 41,389,034	\$ 50,604,211	\$35,567,308	\$47,498,179	86%	94%
GA	Southern Bell-GA	\$ 44,275,148	\$ 86,066,836	\$40,332,410	\$80,928,341	91%	94%
SD	Northwestern Bell-South Dakota	\$ 17,695,603	\$ 27,499,896	\$16,505,106	\$25,888,937	93%	94%
KY	Cincinnati Bell-KY	\$ 8,197,541	\$ 8,112,802	\$7,617,447	\$7,639,733	93%	94%
KY	GTE South Inc - Kentucky	\$ 16,787,175	\$ 23,948,196	\$15,553,755	\$22,566,109	93%	94%
VT	New England Tel-VT	\$ 22,175,608	\$ 29,596,339	\$21,840,251	\$27,911,383	98%	94%
NC	Southern Bell-NC	\$ 23,648,553	\$ 43,264,567	\$20,547,303	\$40,836,613	87%	94%
TX	Southwestern Bell-Texas	\$ 121,734,709	\$ 199,553,559	\$111,826,190	\$188,385,282	92%	94%
SC	GTE South Inc - South Carolina	\$ 7,808,096	\$ 9,993,020	\$7,214,646	\$9,435,660	92%	94%
MO	GTE North Inc - Missouri	\$ 13,393,653	\$ 14,901,184	\$12,699,903	\$14,108,856	95%	95%
TN	United Inter-mountain Tel Co-TN	\$ 6,452,880	\$ 9,653,208	\$5,940,045	\$9,142,876	92%	95%
AK	Anchorage Tel Util	\$ 2,882,024	\$ 3,558,048	\$2,632,183	\$3,371,537	91%	95%
AR	Southwestern Bell-Arkansas	\$ 34,871,589	\$ 54,730,374	\$32,664,747	\$51,914,348	94%	95%
SC	Southern Bell-SC	\$ 20,543,310	\$ 39,881,768	\$19,022,495	\$38,090,229	93%	96%
FL	Southern Bell-FL	\$ 22,225,051	\$ 36,367,340	\$20,406,377	\$34,754,606	92%	96%
CA	Contel Of California - California	\$ 29,597,713	\$ 32,983,149	\$27,921,299	\$31,530,650	94%	96%
ID	GTE Northwest Inc - Idaho	\$ 12,304,731	\$ 15,646,164	\$11,620,262	\$14,958,430	94%	96%
OH	GTE North Inc-OH	\$ 42,591,734	\$ 56,063,660	\$39,658,092	\$53,696,817	93%	96%
OH	Western Reserve Tel Co	\$ 6,815,570	\$ 6,757,553	\$6,272,630	\$6,480,401	92%	96%
VA	Contel Of Virginia Inc DbA GTE Virginia	\$ 30,306,206	\$ 33,146,823	\$28,307,921	\$31,833,018	93%	96%
AL	GTE And Contel Of Alabama	\$ 18,090,724	\$ 22,236,064	\$17,342,887	\$21,422,739	96%	96%
OH	Alltel Ohio Inc	\$ 3,963,352	\$ 3,845,099	\$3,501,967	\$3,711,806	88%	97%
MN	Frontier Comm Of Minnesota Inc	\$ 11,238,786	\$ 12,655,253	\$10,711,573	\$12,238,008	95%	97%
VA	Central Tel Co Of VA	\$ 33,438,641	\$ 41,277,408	\$32,179,046	\$39,961,561	96%	97%
MO	Contel Missouri DBA GTE Missouri	\$ 48,977,232	\$ 55,114,643	\$47,257,143	\$53,694,591	96%	97%
MN	Northwestern Bell-Minnesota	\$ 48,874,493	\$ 76,029,039	\$43,844,709	\$74,330,116	90%	98%
NC	North State Tel Co-NC	\$ 348,115	\$ 748,413	\$269,971	\$731,933	78%	98%
TX	United Telephone Co Of Texas Inc	\$ 23,319,013	\$ 30,374,111	\$22,666,257	\$29,708,430	97%	98%

WI	GTE North Inc-WI	\$ 41,942,280	\$ 54,615,139	\$40,341,527	\$53,418,843	96%	98%
OR	GTE Of The Northwest	\$ 14,406,679	\$ 16,367,030	\$13,284,872	\$16,012,045	92%	98%
IA	GTE And Contel Of Iowa	\$ 23,797,715	\$ 28,422,830	\$23,068,176	\$27,831,737	97%	98%
MO	United Telephone Co Of Missouri	\$ 26,303,879	\$ 34,756,290	\$24,714,752	\$34,046,218	94%	98%
NV	Nevada Bell	\$ 26,086,418	\$ 25,237,505	\$24,852,524	\$24,732,280	95%	98%
WA	Pacific Northwest Bell-Washington	\$ 21,716,084	\$ 35,018,850	\$19,852,847	\$34,340,028	91%	98%
WY	Mountain Bell-Wyoming	\$ 20,009,020	\$ 36,778,036	\$19,220,466	\$36,206,946	96%	98%
IN	Indiana Bell Tel Co	\$ 22,839,727	\$ 32,205,233	\$20,595,649	\$31,727,817	90%	99%
ME	New England Tel-Maine	\$ 40,718,480	\$ 49,305,919	\$38,042,554	\$48,836,387	93%	99%
LA	South Central Bell-LA	\$ 67,626,203	\$ 87,449,120	\$63,396,987	\$87,410,053	94%	100%
PA	United Tel Co Of PA	\$ 22,090,835	\$ 26,703,830	\$20,819,031	\$26,789,989	94%	100%
NC	Carolina Tel And Tel Co	\$ 86,835,225	\$ 117,178,567	\$82,713,971	\$118,490,859	95%	101%
OK	GTE Southwest Inc - Oklahoma	\$ 9,655,183	\$ 10,284,198	\$9,159,817	\$10,415,032	95%	101%
IN	GTE Of Indiana	\$ 21,366,408	\$ 24,575,894	\$18,619,742	\$24,894,496	87%	101%
KS	Southwestern Bell-Kansas	\$ 43,761,117	\$ 62,644,752	\$40,048,188	\$63,511,254	92%	101%
MI	Michigan Bell Tel Co	\$ 43,275,112	\$ 62,972,453	\$37,981,051	\$63,892,085	88%	101%
OR	Pacific Northwest Bell-Oregon	\$ 17,885,461	\$ 35,987,897	\$16,836,610	\$36,697,426	94%	102%
KY	South Central Bell-KY	\$ 49,016,024	\$ 65,042,114	\$47,376,532	\$66,469,111	97%	102%
NC	Contel Of North Carolina DbA GTE No Carolina	\$ 11,356,483	\$ 14,304,190	\$10,682,515	\$14,678,170	94%	103%
NC	Alltel Carolina Inc-north	\$ 8,969,771	\$ 9,892,925	\$8,327,138	\$10,175,564	93%	103%
MD	C And P Tel Co Of MD	\$ 31,737,034	\$ 40,605,254	\$26,095,078	\$41,932,715	82%	103%
WA	Telephone Utilities Of WA Inc	\$ 29,963,012	\$ 32,792,762	\$29,751,420	\$33,992,927	99%	104%
NC	Central Tel Co-NC	\$ 15,535,929	\$ 19,514,634	\$14,986,994	\$20,248,865	96%	104%
IL	Central Tel Co Of IL	\$ 4,699,850	\$ 5,134,191	\$4,285,646	\$5,341,723	91%	104%
NJ	New Jersey Bell	\$ 3,942,854	\$ 9,379,559	\$2,618,383	\$9,765,617	66%	104%
GA	Alltel Georgia Communications Corp	\$ 22,049,979	\$ 29,193,196	\$21,685,737	\$30,460,356	98%	104%
IL	Contel Of Illinois Inc DbA GTE - Illinois	\$ 28,644,372	\$ 28,984,037	\$27,237,739	\$30,437,993	95%	105%
IL	GTE Of Illinois	\$ 49,507,362	\$ 59,188,073	\$45,605,412	\$62,497,089	92%	106%
PA	C-tec Corp	\$ 20,882,024	\$ 23,234,916	\$20,305,068	\$24,720,186	97%	106%
PR	Puerto Rico Tel Co	\$ 19,278,545	\$ 30,142,229	\$16,779,893	\$32,140,017	87%	107%
MA	New England Tel-MA	\$ 12,999,099	\$ 15,867,028	\$11,199,935	\$16,964,848	86%	107%
IN	Contel Of Indiana Inc DbA GTE - Indiana	\$ 18,237,658	\$ 22,836,815	\$17,399,505	\$24,611,555	95%	108%
ND	Northwestern Bell-North Dakota	\$ 12,160,724	\$ 19,641,783	\$12,379,417	\$21,181,517	102%	108%
IL	Illinois Bell Tel Co	\$ 28,388,379	\$ 33,546,523	\$23,254,037	\$36,482,002	82%	109%
MN	Contel Of Minnesota Inc DbA GTE Minnesota	\$ 32,763,611	\$ 32,597,681	\$32,252,835	\$35,563,230	98%	109%
IN	United Tel Co Of Indiana Inc	\$ 19,837,665	\$ 22,757,232	\$19,177,775	\$25,085,440	97%	110%
MT	Mountain Bell-Montana	\$ 24,271,577	\$ 29,696,827	\$23,871,303	\$33,475,887	98%	113%
NJ	United Tel Co Of NJ Inc	\$ 1,747,993	\$ 2,357,426	\$1,462,068	\$2,660,660	84%	113%
MN	United Telephone Co Of Minn	\$ 10,613,413	\$ 12,686,329	\$10,215,370	\$14,349,410	96%	113%
AL	Contel Of The South DbA GTE South	\$ 23,940,321	\$ 23,339,721	\$23,702,809	\$26,775,917	99%	115%
NY	Citizens Telecom-NY	\$ 28,332,997	\$ 28,893,751	\$42,453,710	\$45,211,657	150%	156%
CA	Roseville Telephone Company	\$ -	\$ -	\$0	\$0		

INPUTS MODEL	HAI HAI	HAI BCPM	BCPM HAI	BCPM BCPM	FCC HAI	FCC BCPM
COST FUND						
CENTEL TELEPHONE OF FLORIDA	\$ 23.94	\$ 20.78	\$ 37.48	\$ 38.41	\$ 29.56	\$ 29.73
	\$ 16,524,972.00	\$ 4,456,881.00	\$ 32,181,844.00	\$ 34,249,652.00	\$18,508,242.00	\$14,520,396.00
GTE FLORIDA	\$ 14.93	\$ 17.00	\$ 29.73	\$ 29.32	\$ 20.80	\$ 23.90
	\$ 3,244,155.00	\$ 888,293.00	\$ 24,743,953.00	\$ 20,696,572.00	\$ 3,894,241.00	\$ 4,256,293.00
SOUTHERN BELL FLORIDA	\$ 15.02	\$ 16.70	\$ 28.91	\$ 28.59	\$ 21.10	\$ 23.60
	\$ 17,808,654.00	\$ 2,330,483.00	\$ 73,840,661.00	\$ 78,544,020.00	\$20,406,377.00	\$19,244,532.00
UNITED TELCO OF FLORIDA	\$ 18.93	\$ 19.59	\$ 34.10	\$ 35.54	\$ 25.01	\$ 27.83
	\$ 8,791,199.00	\$ 1,559,651.00	\$ 58,702,944.00	\$ 73,960,541.00	\$14,398,354.00	\$15,648,618.00
ALLTELL GEORGIA	\$ 31.62	\$ 25.23	\$ 56.17	\$ 50.55	\$ 37.47	\$ 37.65
	\$ 15,770,991.00	\$ 5,754,844.00	\$ 67,509,135.00	\$ 59,481,929.00	\$21,685,737.00	\$22,814,710.00
SOUTHERN BELL GEORGIA	\$ 18.46	\$ 18.37	\$ 34.58	\$ 33.64	\$ 24.23	\$ 26.83
	\$ 31,420,610.00	\$ 6,470,666.00	\$171,128,183.00	\$157,014,868.00	\$40,332,410.00	\$45,398,606.00
C&P COMPANY-MARYLAND	\$ 16.50	\$ 17.01	\$ 29.93	\$ 28.23	\$ 22.77	\$ 23.31
	\$ 18,885,488.00	\$ 2,058,896.00	\$ 77,947,481.00	\$ 62,122,691.00	\$26,095,078.00	\$15,969,467.00
GTE MISSOURI	\$ 40.68	\$ 36.00	\$ 73.89	\$ 79.92	\$ 49.77	\$ 56.71
	\$ 37,993,319.00	\$ 23,836,773.00	\$107,523,338.00	\$118,682,519.00	\$47,257,143.00	\$63,278,358.00
GTE NORTH MISSOURI	\$ 30.25	\$ 25.55	\$ 54.34	\$ 53.02	\$ 36.21	\$ 39.35
	\$ 10,573,668.00	\$ 4,971,715.00	\$ 29,889,937.00	\$ 29,478,730.00	\$12,699,903.00	\$14,964,470.00
SOUTHWESTERN BELL-MO	\$ 18.76	\$ 18.08	\$ 34.69	\$ 34.32	\$ 25.02	\$ 27.07
	\$ 47,423,241.00	\$ 12,758,580.00	\$139,001,455.00	\$136,951,368.00	\$52,531,427.00	\$52,535,705.00
UNITED TELCO-MO	\$ 33.44	\$ 26.25	\$ 55.62	\$ 55.58	\$ 39.45	\$ 41.12
	\$ 20,583,861.00	\$ 8,264,546.00	\$ 57,675,683.00	\$ 59,464,248.00	\$24,714,752.00	\$27,879,543.00
MOUNTAIN BELL-MONTANA	\$ 24.18	\$ 26.33	\$ 48.17	\$ 59.71	\$ 31.11	\$ 42.30
	\$ 20,064,524.00	\$ 12,283,384.00	\$ 61,724,682.00	\$ 95,399,362.00	\$23,871,303.00	\$39,741,958.00

Analysis of BCPM Results Using Hatfield Inputs

Questions:

- How to explain the overall dramatic drop in costs produced by the BCPM model when BCPM default inputs are replaced by inputs reflecting levels used in the Hatfield Model?
- Are there specific inputs that serve as “drivers” of this difference?
- Are there inputs that have only a minimal effect?
- And specifically, what is the effect of changes to...
Cost of capital
Structure Sharing
And Depreciation on the results?

Perception:

BCPM has historically produced higher costs for basic service, and a larger USF fund. However, when the FCC’s “common” inputs were used, costs and fund size for both models approached each other.

Note #1: The FCC’s “common” inputs left several key areas un-commonized, including expenses, DLC costs, special access lines, switching and transport. Therefore, comparisons made using these “common” input runs should be viewed as preliminary or incomplete.

Note #2:

When evaluating model output, it is extremely important to separate cost calculation from support (or fund-size) calculation. Although support figures depend on cost output, they depend heavily on averaging assumptions and the methods that each model uses to calculate support which differ greatly. Support calculations are addressed below.

Initial results (BCPM with HAI Inputs):

Table below illustrates some sample BCPM output (averages) for select companies with both sets of inputs

	BCPM Default Inputs	BCPM HAI Inputs	Results
South Central Bell-Tennessee	\$36.84	\$20.88	\$19.78
United Telephone-Tennessee	\$40.17	\$22.82	\$21.04
US WEST-Utah	\$32.82	\$17.59	\$16.70
GTE South-Virginia	\$44.19	\$24.09	\$23.50
Southwest Bell-Oklahoma	\$41.34	\$22.27	\$21.29
US WEST-New Mexico	\$42.21	\$21.07	\$20.67

As the table shows, the BCPM costs changed from (on average) \$19 higher to \$0.86 lower than the HAI Costs when inputs were changed.

Inputs as Cost Drivers:

To examine the causes of these cost changes, two states were chosen, Tennessee and Utah (one Western, one Eastern) and input changes were made in increments. Original costs in BCPM were¹:

	Utah	Tennessee
Capital Costs	22.34	23.79
Operating Expenses	11.34	11.34
Total Monthly Cost	\$33.68	\$35.13

After the Hatfield Inputs were used, the new monthly costs:

	Utah	Tennessee
Capital Costs	8.51	10.11
Operating Expenses	7.90	7.90
Total Monthly Cost	\$16.41	\$18.01

The change in operating expense is straightforward and poses no questions.

The analysis below concentrated on explaining the capital costs, and the change from \$22.34 to \$8.51 in Utah, and from \$23.79 to \$10.11 in Tennessee.

Original Capital Costs in BCPM using BCPM Inputs

	Utah	Tennessee
Capital Cost	\$22.34	\$23.79

First change replacing BCPM Inputs with Hatfield Inputs: Cost of Capital plus other entries from the Miscellaneous Input table:²

	Utah	Tennessee
Capital Cost	\$20.14	\$21.44

Second change (non-cumulative): Structure Tables including both structure costs and structure sharing:³

	Utah	Tennessee
Capital Cost	\$18.36	\$19.15

¹ These are costs for the entire state, not specific companies.

² These included slope multipliers, trenching depth changes, plus fiber/copper crossover changes. Changes to Cost of Capital alone are addressed below.

³ Changes to Structure Sharing alone are addressed below.

(A discussion of structure costs follows below.)

Third change: Changing both Structure Tables (costs and sharing) plus DLC costs.

	Utah	Tennessee
Capital Cost	\$17.83	\$18.49

Fourth, combining all three above: Cost of capital (plus other Miscellaneous Input table values), structure costs and sharing, and DLC costs.

	Utah	Tennessee
Capital Cost	\$15.97	\$16.77

The combined effect of those three sets of inputs above comes closest to qualifying as "major drivers" in terms of cost differences, although as the table shows, DLC costs by themselves could not be considered drivers.

From this point on, all additional changes are cumulative.

Fifth, adding changes to depreciation lives.

	Utah	Tennessee
Capital Cost	\$14.11	\$14.64

Sixth, adding changes to the SAI costs (both indoor and outdoor)

	Utah	Tennessee
Capital Cost	\$13.75	\$14.28

Seventh, adding changes to the cost of fiber

	Utah	Tennessee
Capital Cost	\$12.41	\$13.56

Eighth, adding changes to the costs of cable

	Utah	Tennessee
Capital Cost	\$12.07	\$12.92

Ninth, adding changes to the number of special access lines (on a state level) to those used in the HAI Model. (Note the difference in the effect from state to state).

	Utah	Tennessee
Capital Cost	\$9.93	\$12.13

Tenth, adding changes to the costs of manholes/handholes and the spacing of each.

	Utah	Tennessee
Capital Cost	\$9.61	\$11.84

Eleventh, adding changes to drop costs and drop terminal costs.

	HAI	Final Cost
Capital Cost	\$8.76	\$10.54

These combined input changes move the capital cost to within fifty cents of the final costs, which were produced using the entire set of input changes.

Initial Conclusions:

There are no specific individual inputs responsible for a majority of the cost change. The closest would be the combination of structure costs and structure sharing assumptions, which lowered costs roughly \$4 for each state.

There were three slightly irregular input changes that were made when producing the BCPM runs with HAI inputs.

- 1) The first was allowing some fill factors (cable sizing factors) to be greater than 1 in value, to reflect the different way the two models size cable (pairs vs. lines). As the analysis above shows, this had virtually no impact on costs. (Even if all the unaccounted for variance was due to fill factors (which it is not) it is an effect of less than fifty cents per line.)
- 2) Second, because the HAI Model does not build manholes in underground distribution, the manhole spacing in distribution BCPM was set at 100,000 feet (to ensure that the model would not place manholes in distribution, and the distribution investment would reflect the HAI approach.) Any effect caused by this spacing would be included in the (approximately) thirty cents that costs changed at step 10.
- 3) Third, because the BCPM calculates drop distance while the Hatfield Model treats this as an input (and caps the length at 150 feet) the BCPM loop logic was adjusted to keep drops at 150 feet. However, the analysis shown above was conducted using the original loop logic, not the adjusted, and the impact on costs was so small as to be immeasurable.

Individual Effects of Potential Cost Drivers

For each of the two states, the effects of changes in potential cost drivers were examined in stages. Below, the tables show

Cost of Capital (maintaining capital structure)

	HAI	Final Cost
10.01	\$8.51	\$10.11
10.25	\$8.62	\$10.25
10.50	\$8.76	\$10.41
10.75	\$8.89	\$10.56
11.00	\$9.03	\$10.73

11.25	\$9.17	\$10.89
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Conclusion: Although the Miscellaneous Inputs Table changes shown above altered the costs approximately \$2 (see change #1), clearly this was the combined effect of cost of capital along with slope factors, depth factors and length factors. The maximum effect of cost of capital alone appears to be less than \$1.

Structure Sharing (based on original HAI levels, maintaining structure costs)

	Plant	Process
Original HAI Levels	\$8.51	\$10.11
Increased 10% (max 100%)	\$8.69	\$10.32
Increased 20% (max 100%)	\$8.87	\$10.54
Increased 30% (max 100%)	\$9.05	\$10.75
All set at 100%	\$9.63	\$11.46

Conclusion: As with the cost of capital, the figures in the table indicate that the combined effect of changes in structure costs plus structure sharing (almost \$4 as shown above in change #2) have a much greater impact than structure sharing alone.

Depreciation (Economic) Lives (maintaining Net Salvage Levels)

	Plant	Process
HAI Levels	\$8.51	\$10.11
Decreasing years by 1/3 the difference between BCPM and HAI	\$8.78	\$10.49
Decreasing years by 2/3 the difference between BCPM and HAI	\$9.21	\$11.04
BCPM Levels	\$9.65	\$11.61

For the economic lives, only the values that varied significantly between BCPM and HAI were changed. For instance, "Garage Work Equipment" had an economic life of 12 years in the BCPM and 12.22 years in the HAI. It was not changed.

On the other hand, the default economic life for "Switching" in BCPM was 10 years but in HAI it was 16.17. So "Switching" was moved from 16.17 to 14 to 12 and finally to 10.

The majority of categories that were changed were plant-related. Note the impact in this case (of the variable alone) is approximately \$1.14 to \$1.50. When depreciation was changed in conjunction with other changes (change #5 above) the effect was greater, \$1.86 to \$2.13, as would be expected.

Structure Costs

The single greatest impact in terms of user-adjustable inputs was the result of changing structure sharing along with structure costs. It is important to note that the actual prices of some activities between the two models do not vary greatly (see table below) but the prices of other activities do vary.⁴

	BCPM	HAI
Trench & Backfill	\$2.27	\$2.05
Backhoe Trench	\$2.70	\$3.00
Hand Dig Trench	\$4.99	\$5.00
Cut & Restore Asphalt	\$8.72	\$6.00
Cut & Restore Concrete	\$9.63	\$9.00
Cut & Restore Sod	\$3.75	\$1.00

Also important is the fact that a certain percentage of structure activity in the Hatfield Model is classified as "Restoration Not Required", which is not an option in the BCPM. This was incorporated (in some cases) by having the "percent of activity" in the BCPM total less than 100%.

The true impact of these cost differences is felt when structure cost is combined with sharing and the percent of the activity. These are the resulting structure costs for Normal Feeder Conduit that were used in the two runs:

	BCPM	HAI
0 to 5	\$2.76	\$1.90
5 to 100	\$2.96	\$1.90
100 to 200	\$3.73	\$1.52
200 to 650	\$4.19	\$1.31
650 to 850	\$4.74	\$1.35
850 to 2,550	\$4.74	\$1.40
2,550 to 5,000	\$6.98	\$1.41
5,000 to 10,000	\$6.98	\$4.88
Over 10,000	\$7.51	\$6.61

Brief Discussion of Support Calculation

As stated above, analysis of the calculation of support dollars should be conducted separately from analysis of input changes. When the HAI Model calculates support at the wire center level, an odd approach is used. This is as follows:

⁴ Because the Hatfield Model separates the prices of excavation & restoration but the BCPM combines these, I was forced to calculate the combined prices.

As shown above, structure sharing (in conjunction with structure costs) can have a significant impact on overall costs.

In the HAI Model, structure sharing is applied in the *expense* module, which is different than the approach used in the BCPM. The HAI uses different expense modules, depending on the level at which costs are being produced (density zone, wire center, etc.)

When the HAI Model produces Wire Center results, it applies structure sharing in the expense module as mentioned above, but the only category of structure sharing that gets applied to investment dollars is the 650-850 density range.

(This can be easily verified by using Excel's auditing tools on any HAI wire center output sheet.)

Hence, any cost calculations (and support calculations) produced at the wire center level basically ignore the majority of the Structure Sharing inputs.